



GREGORY W. SULLIVAN
INSPECTOR GENERAL

The Commonwealth of Massachusetts
Office of the Inspector General

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December 1, 2010

Commissioner Phillip Giudice
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Dear Commissioner Giudice:

Thank you for the Massachusetts Department of Energy Resources' (DOER) response of September 23, 2010 regarding the Office of the Inspector General's (OIG) request for information concerning KPMG LLP's "Readiness Assessment" for compliance with the requirements under the American Recovery and Reinvestment Act (ARRA), issued in August 2009.

Your responses indicate your understanding of the accountability and transparency mandates of ARRA as expressed in KPMG's findings and recommendations. We appreciate DOER's willingness to cooperate with our staff, and we commend your agency for taking the initiative to accept and implement KPMG's recommendations.

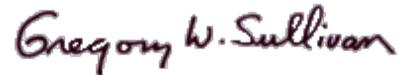
As you know, having the appropriate procedures and programs to address the potential risks of fraud, waste, and abuse helps to ensure the proper expenditure of ARRA funds. The OIG acknowledges DOER's collaboration with our Office to establish a more comprehensive monitoring plan for recipients of Energy Efficiency and Conservation Block Grants (EECBG). For the development of this plan, we offered a series of steps to assist your office in defining the scope of its monitoring role, as well as assess risks and identify vulnerabilities in the use of the EECBG grant funds. Our guidance reaffirmed KPMG's assessment that a monitoring plan geared toward preventing fraud, waste, and abuse should include regular communication, site visits, the dissemination of appropriate documents and guidance to subrecipients and vendors, as well as training for grantees, vendors, and DOER employees to help ensure the detection and prevention of fraud, waste, and abuse.

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This Office encourages your agency to continue its efforts to increase monitoring capacity and the ongoing implementation and maintenance of the other recommendations put forth in KPMG's "Readiness Assessment."

If you have any questions or concerns, or require further assistance, please contact Deputy Inspector General Neil Cohen at (617)722-8819. Again, thank you for your cooperation.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive style with a clear, legible font.

Gregory W. Sullivan
Inspector General

cc: Doug Rice, MA Recovery and Reinvestment Office
Peter Scavotto, Office of the State Comptroller